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COLUMBIA, SOUTH CAROLINA

April 22, 2013

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Jocelyn Boyd, Chief Clerk/Administrator
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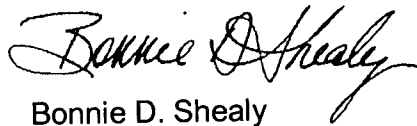
**Re: Time Warner Cable Business - IXC Certification - South Carolina
Docket No. 2013-86-C**

Dear Ms. Boyd:

Enclosed for filing please find the verified Direct Testimony of Julie P. Laine on behalf of Time Warner Cable Business. By copy of this letter we are serving the same on all parties of record. If you have any questions, please have someone on your staff contact me.

Very truly yours,

ROBINSON, MCFADDEN & MOORE, P.C.


Bonnie D. Shealy

BDS/tch
Enclosures

cc/enc: Julie P. Laine, Group Vice President, Regulatory (via email)
Vincent M. Paladini, Senior Counsel, Regulatory (via email)
Nanette S. Edwards, Esquire (via email & U.S. Mail)
Margaret M. Fox, Esquire (via email & U.S. Mail)

RETURN DATE: 01/6
SERVICE: 01/6

Docket No. 2013-86-C

**Application of Time Warner Cable Business
LLC d/b/a Time Warner Cable, for a Certificate
of Public Convenience and Necessity to Provide
Interexchange Telecommunications Services and
for Alternative Regulation**

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TIME WARNER CABLE BUSINESS LLC

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A. My name is Julie P. Laine. I am currently Group Vice President, Regulatory of Time Warner Cable Inc. ("TWC"), a parent company of Time Warner Cable Business LLC. My business address is 60 Columbus Circle, New York, New York 10023. My telephone number is (212) 364-8482 and my email address is Julie.Laine@twcable.com. Q. **ON WHOSE BEHALF ARE YOU TESTIFYING?**

Q: PLEASE DESCRIBE YOUR RESPONSIBILITIES FOR TIME WARNER CABLE INC.

Q: PLEASE SUMMARIZE YOUR BACKGROUND AND PROFESSIONAL EXPERIENCE.

A: Prior to becoming Group Vice President, Regulatory, I was Vice President & Chief Counsel, Telephony for TWC. I joined TWC in 2002 from Net2Phone, Inc. where I was Associate General Counsel. I also previously served as an Attorney Advisor in the Policy Division of the Federal Communications Commission's Common Carrier Bureau where I worked on issues relating to local telephone competition, broadband deployment and telecommunications mergers. Before that I practiced law in Washington, D.C. My legal career began as a law clerk in the U.S. District Court for the District of New Jersey and I

1 later served as an Adjunct Professor at the Seton Hall Law School. I received my
2 undergraduate degree from the University of Pennsylvania and my law degree from the
3 College of William & Mary.

4 **Q. PLEASE BRIEFLY DESCRIBE YOUR COMPANY'S CORPORATE**
5 **STRUCTURE.**

6 A. Time Warner Cable Business is a limited liability company organized under the laws of
7 the State of Delaware in January 2013 and authorized to do business in the State of South
8 Carolina on January 24, 2013. Time Warner Cable Inc. is the ultimate corporate parent of
9 the Time Warner Cable Business LLC. Exhibit 3 of the application illustrates the
10 corporate organization chart. TWC is committed to providing the necessary financial
11 support to the operations of Time Warner Cable Business.

12 **Q. PLEASE DESCRIBE THE RELATIONSHIP BETWEEN TWC, TIME WARNER**
13 **CABLE BUSINESS, AND TIME WARNER CABLE INFORMATION SERVICES**
14 **(SOUTH CAROLINA), LLC .**

15 A. TWC is the ultimate corporate parent of Time Warner Cable Business, LLC and Time
16 Warner Cable Information Services (South Carolina), LLC's ("TWICS"). TWCIS is
17 certified to provide local exchange and interexchange telecommunications services in
18 South Carolina pursuant to Commission Order Numbers 2004-213, 2004-496, 2005-
19 385(A) 2009-356, and 2011-393. TWCIS does not offer it services in any other state.
20 TWC created Time Warner Cable Business as a separate legal entity to offer wholesale
21 and commercial customers with intrastate and interstate interexchange transmission
22 services throughout the State of South Carolina and the United States. For instance, Time
23 Warner Cable Business will provide Metro Ethernet services to retail business customers,

1 allowing businesses to connect locations via a secure point-to-point or point-to-multipoint
2 connection with bandwidth speeds ranging from sub-T1 to 10 Gbps. In addition, Time
3 Warner Cable Business will provide wholesale carrier services, such as cell tower
4 backhaul, using Ethernet, MPLS, SONET, and wavelength technologies.

5 **Q. WHY WAS TIME WARNER CABLE BUSINESS CREATED?**

6 A. TWC created Time Warner Cable Business as a separate legal entity to offer high-
7 capacity intrastate and interstate wholesale and retail transmission services to small and
8 medium business and enterprise customers throughout the State of South Carolina and the
9 United States. When customers have operations in multiple locations spanning several
10 states, including South Carolina, it is more efficient for a single carrier entity to provide
11 these services than for TWC to have multiple carriers that each operating in multiple
12 states. Time Warner Cable Business does not propose to offer local services in South
13 Carolina. TWCIS will continue to provide local and interexchange voice services
14 throughout South Carolina.

15 **Q: HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE SOUTH CAROLINA**
16 **PUBLIC SERVICE COMMISSION?**

17 A: Yes, I have testified in all of TWICS' dockets before the Commission except Docket
18 Number 2011-468-C which was the request to amend the TWCIS' service area to include
19 the service area of Sandhill Telephone Co.

20 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

21 A. The purpose of the testimony is to describe the operations and business strategy of Time
22 Warner Cable Business and, by so doing, demonstrate that the company has the requisite
23 financial, technical and managerial capability to provide interexchange transmission

1 services in the State of South Carolina and that approval of its Application is in the public
2 interest.

3 **Q. DO YOU INTEND TO INCORPORATE BY REFERENCE ANY DOCUMENTS**
4 **INTO YOUR TESTIMONY?**

5 A. Yes, I wish to incorporate by reference the application filed in this proceeding and its
6 associated exhibits. All of the statements and exhibits in the application are correct and
7 true to the best of my knowledge, information, and belief.

8 **Q. PLEASE DESCRIBE THE SERVICES TIME WARNER CABLE BUSINESS**
9 **PROPOSES TO OFFER.**

10 A. Time Warner Cable Business intends to offer high-capacity intrastate and interstate
11 wholesale and retail transmission services to small and medium business and enterprise
12 customers. Retail transmission services may be used to provide point-to-point, point-to-
13 multipoint, and multipoint-to-multipoint dedicated connections between one or more
14 customer-designated locations (which may include locations outside of South Carolina)
15 and/or Time Warner Cable. These services may use Ethernet interfaces, optical fiber
16 and/or coaxial cable facilities and are scalable from 1 MBPS to 10 Gbps. In addition,
17 Time Warner Cable Business intends to offer wholesale transport services, such as cell
18 tower backhaul service, that can be provided using Ethernet, MPLS, SONET, and
19 wavelength technologies. Because these services are generally tailored to the needs of
20 large, sophisticated customers, they will be designed on an individual case basis pursuant
21 to negotiated customer contracts. However, all requesting customers will have non-
22 discriminatory access to the company's services and facilities at nondiscriminatory rates,
23 terms, and conditions.

24 **Q. WILL TIME WARNER CABLE BUSINESS OFFER VOICE SERVICES?**

1 A. No, Time Warner Cable will offer only the high-capacity intrastate and interstate
2 wholesale and retail transmission services to small and medium business and enterprise
3 customers as described above and in our proposed tariff.

4 **Q. WHAT FACILITIES WILL TIME WARNER CABLE BUSINESS USE TO**
5 **PROVIDE ITS PROPOSED INTEREXCHANGE SERVICES?**

6 A. Time Warner Cable Business intends to provide the proposed services by using the
7 existing hybrid fiber coaxial and fiber optic network facilities of its affiliates and TWC.
8 Time Warner Cable Business will also lease and build additional network facilities on an
9 as-needed basis. TWC owns and manages cable systems serving approximately 15.2
10 million customers. Approximately 563,000 of those are business services customers who
11 subscribed to one of more of TWC's three primary services. TWC's business services
12 include networking and transport services (including cell tower backhaul services) and
13 managed and outsourced information technology solutions and cloud services.

14 **Q. DOES TIME WARNER CABLE BUSINESS INTEND TO SEEK**
15 **INTERCONNECTION UNDER SECTION 251/252 OF THE FEDERAL**
16 **TELECOMMUNICATIONS ACT WITH THE COMPANIES LISTED IN THE**
17 **S.C. TELEPHONE COALITION'S ("COALITION") PETITION TO**
18 **INTERVENE?**

19 A. No. Time Warner Cable Business does not intend to offer any voice services and, as
20 such, does not intend to interconnect with local exchange carriers or exchange local
21 traffic with those carriers.

1 **Q. DOES TIME WARNER CABLE BUSINESS INTEND TO AGGREGATE ITS**
2 **OWN TRAFFIC OR THE TRAFFIC OF OTHER CARRIERS AND THEN USE**
3 **TWICS TO INTERCONNECT WITH THE COALITION COMPANIES?**

4 A. No.

5 **Q. PLEASE TELL US ABOUT TIME WARNER CABLE BUSINESS'**
6 **MANAGERIAL AND TECHNICAL CAPABILITY.**

7 A. Time Warner Cable Business' officers and management have extensive managerial and
8 technical expertise in the telecommunications industry. In addition to my experience,
9 Gerald Campbell, President of Time Warner Cable and Executive Vice President,
10 Business Services, of TWC has nearly 30 years of experience in the cable and telephone
11 industries. Prior to joining TWC, he was with Comcast Communications for 10 years. He
12 developed and built the company's voice business in the United Kingdom. More detailed
13 biographical and technical information on Mr. Campbell and the other officers is
14 provided in Exhibit 5 of the Application and is incorporated by reference. Time Warner
15 Cable's officers and management team represent a broad spectrum of business and
16 technical disciplines, possessing many years of individual and aggregate
17 telecommunications experience including designing, constructing and operating
18 telecommunications networks.

19 TWC and its affiliates collectively provide communications services to over 15
20 million residential and commercial customers in the United States. Time Warner Cable
21 Business will operate under intercompany agreements that exist with TWC and its
22 affiliates. As a result, Time Warner Cable Business will rely on its local employees
23 headed by Charlene Keys, Area Vice President, and on the engineering and technical

1 support of its specialized staffs to manage its network and provision services. The
2 services will be delivered over a managed network with quality of service standards,
3 ensuring that customers are provided with the level of quality offered by other carriers.
4 Locally and nationally, Time Warner Cable Business' team of well-qualified and
5 seasoned telecommunications professionals is capable of providing state of the art
6 services.

7 **Q. PLEASE DESCRIBE TIME WARNER CABLE BUSINESS' FINANCIAL**
8 **ABILITY TO OPERATE AS A TELECOMMUNICATIONS CARRIER.**

9 A. Time Warner Cable Business is a newly formed entity. As such, it will be relying on the
10 financial resources of TWC to finance its operations. TWC is committed to providing the
11 financial support as needed. As part of its application, Time Warner Cable Business
12 provided the Commission with TWC's SEC Form 10-K for the period ending December
13 31, 2012. TWC has a market capitalization exceeding \$24 billion. The financial
14 statements demonstrate that Time Warner Cable Business has access to sufficient
15 financial resources to provide the proposed services in South Carolina and to meet its
16 cash needs.

17 **Q. IS TIME WARNER CABLE BUSINESS CURRENTLY AUTHORIZED TO**
18 **PROVIDE INTRASTATE TELECOMMUNICATIONS SERVICES IN ANY**
19 **OTHER STATES?**

20 A. Time Warner Cable Business is authorized to provide intrastate telecommunications
21 services in Massachusetts, North Carolina, Texas, and Washington and it is seeking
22 authority to provide the same proposed services in the following states: Alabama,
23 Arizona, California, Colorado, Hawaii, Idaho, Illinois, Indiana, Kansas, Kentucky,

1 Maine, Michigan, Missouri, Nebraska, New Hampshire, New Jersey, New Mexico, New
2 York, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia, and Wisconsin. Time
3 Warner Cable Business is also authorized to operate as an interstate telecommunications
4 carrier, through its implied FCC Section 214 authority based on its status as a non-
5 dominant telecommunications carrier.

6 Affiliated companies have been certificated to provide intrastate local and
7 interexchange voice services in the following states: Alabama, Arizona, California,
8 Colorado, Hawaii, Idaho, Illinois, Indiana, Kansas, Kentucky, Maine, Massachusetts,
9 Michigan, Missouri, Nebraska, New Hampshire, New Jersey, New Mexico, New York,
10 North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, Virginia,
11 Washington, West Virginia, and Wisconsin.

12 **Q. HAS TIME WARNER CABLE BUSINESS OR ANY TWC AFFILIATED ENTITY**
13 **EVER BEEN DENIED CERTIFICATION IN ANOTHER STATE?**

14 A. No.

15 **Q. HAS TIME WARNER CABLE BUSINESS PROVIDED ANY INTRASTATE**
16 **TELECOMMUNICATIONS SERVICES WITHIN THE STATE OF SOUTH**
17 **CAROLINA?**

18 A. No.

19 **Q. DOES TIME WARNER CABLE BUSINESS INTEND TO FILE A TARIFF WITH**
20 **THE COMMISSION?**

21 A. Yes. Time Warner Cable Business will file a tariff similar to the proposed tariff filed as
22 Exhibit 6 of the application. The S.C. Office of Regulatory Staff requested several
23 revisions to the proposed tariff. We will make the agreed-upon revisions in the initial

1 tariff filed after the certification order is issued. Time Warner Cable Business intends to
2 furnish its proposed services to small and medium business and enterprise customers
3 through separately negotiated contracts. All requesting customers will have non-
4 discriminatory access to individual case basis services and facilities at non-discriminatory
5 rates, terms, and conditions. As a result, we requested a waiver of the requirement to file
6 proposed rates in the tariff.

7 **Q. HOW WILL TIME WARNER CABLE BUSINESS BILL ITS CUSTOMERS?**

8 A. Time Warner Cable Business will bill its customers directly on a monthly basis.

9 **Q. HOW ARE CUSTOMER INQUIRIES AND BILLING DISPUTES RESOLVED?**

10 A. If a customer disputes a bill, the customer may request a detailed review of the disputed
11 amount. If after investigation by a manager or higher-level employee the dispute is not
12 resolved, the customer will be notified that the S.C. Office of Regulatory Staff is
13 available to help resolve disputes. The Time Warner Cable Business toll free telephone
14 number, 866-692-4249, is available 24 hours per day, 7 days per week. The contact
15 person for consumer issues and customer inquiries is Stacy Hannah, Senior Manager of
16 Regulatory Affairs, (703)345-2455, TWC.Regulatory.Complaints@twcable.com.

17 **Q. HOW WILL TIME WARNER CABLE BUSINESS MARKET SERVICES IN**
18 **SOUTH CAROLINA?**

19 A. Time Warner Cable Business will primarily market its services to business customers
20 directly through its sales force. We may also use television commercials, newspaper
21 advertising and radio advertising.

22 **Q. WHAT REGULATORY TREATMENT IS TIME WARNER CABLE BUSINESS**
23 **SEEKING IN THIS APPLICATION?**

1 **A.** Time Warner Cable Business seeks to implement an alternative regulatory plan pursuant
2 to S.C. Code Section 58-9-585. Specifically, Time Warner Cable Business requests that
3 any private line service offerings it plans to offer and any future interexchange business
4 service offerings be regulated pursuant to the procedures described and set out in Docket
5 No. 95-661-C and as modified by Order No. 2001-997-C in docket No. 2000-407-C. It is
6 Time Warner Cable Business' intent by this request to have its intrastate South Carolina
7 business services regulated in the same manner as this Commission has permitted for by
8 AT&T Communications of the Southern States and other similarly situated carriers.
9 Specifically, we request:

- 10 (a) removal of maximum rate tariff requirements for its business services, consumer
11 card, operator service, and private line, and customer network-type offerings;
12 (b) that tariff filings for these uncapped offerings are presumed valid upon filing. If the
13 Commission institutes an investigation of a particular filing within seven days, the
14 tariff filing will be suspended until further order of the Commission; and
15 (c) any relaxation in the reporting requirements that may be adopted for any similarly
16 situated carriers shall also apply to Time Warner Cable Business.

17 We understand that the alternative regulation orders were modified by Order No. 2001-
18 997 so that rate caps for operator-assisted calls where a consumer uses a local exchange
19 carrier's calling card to complete calls from locations which have not selected that local
20 exchange carrier as their toll provider. The order imposed a maximum cap of \$1.75 for
21 operator surcharges for such calls, and a maximum cap of \$0.35 related to the flat per-
22 minute rate associated with these calls.

1 **Q. DOES TIME WARNER CABLE BUSINESS SEEK WAIVERS OF ANY OF THE**
2 **COMMISSION’S REGULATIONS?**

3 A. Yes, we have requested the following waivers:

- 4 • Time Warner Cable Business has requested an exemption from any policies that
5 might require a carrier to maintain its financial records in conformance with the
6 Uniform System of Accounts (“USOA”). TWC and Time Warner Cable Business
7 currently maintain their books and records in accordance with Generally Accepted
8 Accounting Principles (“GAAP”), and therefore do not possess the detailed cost
9 data required by USOA. Since GAAP is used, the Commission and the S.C.
10 Office of Regulatory Staff will have a reliable method to evaluate the company’s
11 operations.
- 12 • Time Warner Cable Business requested a waiver of the requirement of 26 S.C.
13 Code Reg. 103-610 that a carrier keep all records required by the Commission’s
14 rules and regulations within the State of South Carolina. Since TWC and Time
15 Warner Cable Business’ headquarters are located in New York, maintaining its
16 books and records in South Carolina would be unduly burdensome. We will make
17 our books and records available upon request to the Commission and the S.C.
18 Office of Regulatory Staff and will bear the expense of travel for Staff to examine
19 the records located outside of South Carolina.
- 20 • Time Warner Cable Business requested a waiver of 26 S.C. Code Regs. 103-
21 612.2.3, the requirement to file operating maps with the Commission, since Time
22 Warner Cable Business seeks statewide certification.
- 23 • As discussed earlier, since Time Warner Cable Business will be offering its

1 services on an individual case basis to commercial customers pursuant to
2 individually negotiated contracts, we requested a waiver of the requirement to
3 include rates in its tariff.

4 These waivers have been granted for other similarly situated carriers and Time Warner
5 Cable Business requests that the Commission provide it with the same treatment.

6 **Q. HOW WILL THE RESIDENTS OF SOUTH CAROLINA BENEFIT FROM TIME**
7 **WARNER CABLE BUSINESS' SERVICES AND PRESENCE IN SOUTH**
8 **CAROLINA?**

9 A. Approval of the Time Warner Cable Business' application will promote the public
10 interest by increasing the level of competition in the interexchange telecommunications
11 market for high capacity transmission services. The proposed services offering will give
12 small and medium sized businesses and enterprise customers a viable, competitive
13 option. Granting the application is in the public interest because it will enhance
14 competition, generating the benefits that result from competition, such as customer
15 choice, a more efficient, innovative, technologically advanced and diverse
16 telecommunications infrastructure, higher service quality and competitive prices in South
17 Carolina.

18 **Q. WILL THE SERVICE TIME WARNER CABLE BUSINESS INTENDS TO**
19 **PROVIDE MEET THE SERVICE STANDARDS OF THE COMMISSION?**

20 A. Yes, Time Warner Cable Business will comply with all applicable service standards
21 established by the Commission.

22 **Q. WILL GRANTING YOUR APPLICATION ADVERSELY IMPACT THE**
23 **AVAILABILITY OF AFFORDABLE LOCAL EXCHANGE SERVICE?**

1 A. No. As discussed earlier, Time Warner Cable Business seeks authority to provide
2 interexchange services only. In addition, Time Warner Cable Business does not seek to
3 provide any voice services. Our affiliated entity, TWCIS, has been providing both local
4 and interexchange services throughout South Carolina since 2004. The history of
5 telecommunications competition has demonstrated that as new entrants improved the
6 price performance of service, consumers benefited from a wider choice of services and
7 options.

8 **Q. WILL TIME WARNER CABLE BUSINESS SUPPORT UNIVERSALLY**
9 **AVAILABLE TELEPHONE SERVICE AT AFFORDABLE RATES AS**
10 **REQUIRED BY THE COMMISSION?**

11 A. Yes, we will comply with applicable Commission requirements related to universal
12 service obligations.

13 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

14 A. Yes.

VERIFICATION

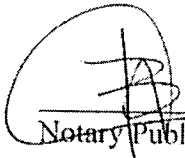
I, Julie P. Laine, first being duly sworn upon oath, depose and say that I am Group Vice President & Chief Counsel, Regulatory, of Time Warner Cable; that I have read the Direct Testimony, and know the contents; that the contents are true, accurate, and correct to the best of my knowledge, information and belief.

Time Warner Cable

Julie P. Laine

SWORN TO AND SUBSCRIBED

before me this 19th day of April, 2013.


Notary Public for _____

My Commission Expires: 7-9-2016

WILLIAM C. WESSELMAN Notary Public, State of New York Registration #01WE8265380 Qualified In New York County Commission Expires July 9, 2016
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**BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA**

Docket No. 2013-86-C

IN RE:

Application of Time Warner Cable Business LLC d/b/a
Time Warner Cable, for a Certificate of Public
Convenience and Necessity to Provide Interexchange
Telecommunications Services and for Alternative
Regulation

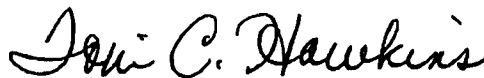
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) **CERTIFICATE OF SERVICE**
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This is to certify that I, Toni C. Hawkins, a Paralegal with the law firm of Robinson, McFadden & Moore, P.C., have this day caused to be served upon the person(s) named below the **verified Direct Testimony of Julie P. Laine on behalf of Time Warner Cable Business** in the foregoing matter by placing a copy of same in the United States Mail, postage prepaid, in an envelope addressed as follows:

Nanette S. Edwards, Esquire
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, SC 29201

M. John Bowen, Jr., Esquire
Margaret M. Fox, Esquire
McNair Law Firm
P.O. Box 11390
Columbia, SC 29211

Dated at Columbia, South Carolina this 22nd day of April, 2013.



Toni C. Hawkins